



## **REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF BENSO OIL PALM PLANTATION LIMITED**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Benso Oil Palm Plantation Limited set out on pages 15 to 37. These financial statements comprise the statement of financial position as at 31 December 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Directors' responsibility for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act, 1963 (Act 179) and for such internal control, as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Benso Oil Palm Plantation Limited as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in a manner required by the Companies Act, 1963 (Act 179).

### **REPORT ON OTHER LEGAL REQUIREMENTS**

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

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LIMITED** (continued)

- iii) the balance sheet (statement of financial position) and profit and loss, as included in the statement of comprehensive income of the Company, are in agreement with the books of account.



Chartered Accountants

28 February 2013

Accra, Ghana

Oseini Amui (ICAG/P/1139)



**Financial statements****Year ended 31 December 2012****STATEMENT OF COMPREHENSIVE INCOME**

(All amounts are expressed in thousands of Ghana cedis)

	Notes	Year ended 31 December	
		2012	2011
<b>Revenue</b>	4	<b>40,839</b>	34,797
Cost of sales	5	(27,070)	(23,741)
Net gains from changes in fair value of biological assets	23	869	446
		-----	-----
<b>Gross profit</b>		<b>14,638</b>	11,502
Administrative expenses	6	(2,741)	(2,339)
Other income	8	583	104
		-----	-----
<b>Operating profit</b>		<b>12,480</b>	9,267
Finance income	9	1,234	504
		-----	-----
<b>Profit before income tax</b>		<b>13,714</b>	9,771
Income tax expense	10	(308)	(186)
		-----	-----
<b>Profit for the year</b>		<b>13,406</b>	9,585
		-----	-----
Other comprehensive income		-	-
		-----	-----
<b>Total comprehensive income for the year</b>		<b>13,406</b>	9,585
		=====	=====
Basic and diluted earnings per share (GH¢)	25	<b>0.3852</b>	0.2754

The notes on pages 19 to 37 are an integral part of these financial statements.

**Financial statements**

**Year ended 31 December 2012**

**STATEMENT OF FINANCIAL POSITION**

(All amounts are expressed in thousands of Ghana cedis)

	Notes	At 31 December	
		2012	2011
<b>Assets</b>			
<b>Non-current assets</b>		22,312	18,302
Property, plant and equipment	14	7,119	5,395
Biological assets	23	15,193	12,907
<b>Current assets</b>		20,949	13,211
Inventories	15	4,272	2,964
Trade and other receivables	16	1,473	1,156
Amounts due from related companies	20	2,196	1,620
Cash and cash equivalents	19	13,008	7,471
<b>Total assets</b>		43,261	31,513
		=====	=====
<b>Liabilities</b>			
<b>Current liabilities</b>		2,726	1,983
Trade and other payables	17	1,449	1,317
Amounts due to related companies	20	560	132
Current income tax	10	301	179
Dividend payable	11	416	355
<b>Equity</b>		40,535	29,530
Stated capital	12	2,000	2,000
Capital surplus account	13	7,629	7,629
Income surplus account	21	30,906	19,901
<b>Total liabilities and equity</b>		43,261	31,513
		=====	=====

The notes on pages 19 to 37 are an integral part of these financial statements.

The financial statements on pages 15 to 37 were approved by the Board of directors on 11 February 2013 and were signed on its behalf by:



.....  
**Ishmael Yamson**  
Chairman



.....  
**Santosh Pillai**  
Managing Director

**Financial statements****Year ended 31 December 2012****STATEMENT OF CHANGES IN EQUITY**

(All amounts are expressed in thousands of Ghana cedis)

	Stated capital	Capital surplus account	Income surplus account	Total
<b><u>Year ended 31 December 2012</u></b>				
At 1 January 2012	2,000	7,629	19,901	29,530
Profit for the year	-	-	13,406	13,406
	-----	-----	-----	-----
<b>Total comprehensive income</b>	<b>2,000</b>	<b>7,629</b>	<b>33,307</b>	<b>42,936</b>
	-----	-----	-----	-----
<b>Transactions with owners</b>				
Dividend declared for 2011	-	-	(2,401)	(2,401)
	-----	-----	-----	-----
<b>At 31 December 2012</b>	<b>2,000</b>	<b>7,629</b>	<b>30,906</b>	<b>40,535</b>
	=====	=====	=====	=====
<b><u>Year ended 31 December 2011</u></b>				
At 1 January 2011	2,000	7,629	12,184	21,813
Profit for the year	-	-	9,585	9,585
	-----	-----	-----	-----
<b>Total comprehensive income</b>	<b>2,000</b>	<b>7,629</b>	<b>21,769</b>	<b>31,398</b>
	-----	-----	-----	-----
<b>Transactions with owners</b>				
Dividend declared for 2010	-	-	(1,868)	(1,868)
	-----	-----	-----	-----
<b>At 31 December 2011</b>	<b>2,000</b>	<b>7,629</b>	<b>19,901</b>	<b>29,530</b>
	=====	=====	=====	=====

The notes on pages 19 to 37 are an integral part of these financial statements.



**Financial statements**  
**Year ended 31 December 2012**

**STATEMENT OF CASH FLOWS**

(All amounts are expressed in thousands of Ghana cedis)

	Notes	Year ended 31 December	
		2012	2011
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	10,043	8,229
Interest received	9	1,234	504
Tax paid	10	(186)	-
		-----	-----
<b>Net cash generated from operating activities</b>		<b>11,091</b>	<b>8,733</b>
		-----	-----
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(2,205)	(1,302)
Purchase of biological assets	23	(1,436)	(764)
Proceeds from sale of property, plant and equipment	14	30	2
Proceeds from sale of biological assets	23	397	40
		-----	-----
<b>Net cash used in investing activities</b>		<b>(3,214)</b>	<b>(2,024)</b>
		-----	-----
<b>Cash flows from financing activities</b>			
Dividend paid to the shareholders	11	(2,340)	(1,769)
		-----	-----
<b>Net cash used in financing activities</b>		<b>(2,340)</b>	<b>(1,769)</b>
		-----	-----
Increase in cash and cash equivalents		5,537	4,940
Cash and cash equivalents at 1 January		7,471	2,531
		-----	-----
<b>Cash and cash equivalents at 31 December</b>	19	<b>13,008</b>	<b>7,471</b>
		=====	=====

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